



Asset Management Strategy

DOCUMENT AUTHORISATION

| | | | | | |
|-----------------------------|--------------|----------------------------------|--|-------------------------|---------------------------|
| RESPONSIBLE OFFICER: | | DIRECTOR INFRASTRUCTURE SERVICES | | | |
| REVIEWED BY: | | Technical Services Coordinator | | | |
| REVIEW DUE DATE: | | June 2026 | | | |
| REVISION NUMBER: | | 4 | | | |
| DOCUMENT NUMBER: | | NA | | | |
| PREVIOUS VERSIONS: | DATE: | RESOLUTION NO: | DESCRIPTION OF AMENDMENTS: | AUTHOR / EDITOR: | REVIEW / SIGN OFF: |
| 4 | 28/4/2022 | 32.06/22 | For distribution with other IPRF documents | TSC | Council |
| 3 | 17/12/2020 | 25.12/20 | Adoption of revised AMP | DIS | Council |
| 2 | 27/08/2015 | 18.05/15 | Adoption of revised AMP | DIS | Council |
| 1 | 19/05/2009 | 19.05/09 | Original Draft | MTS | Council |

General Manager



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Date

15 July 2022

CONTENTS

| | |
|---|-----------|
| Asset Management Strategy | 1 |
| EXECUTIVE SUMMARY..... | 4 |
| CURRENT SITUATION ANALYSIS | 5 |
| COUNCIL'S CURRENT ASSET STOCK | 6 |
| CRITICAL ASSETS..... | 7 |
| ASSET CONDITION | 7 |
| VALUE OF ASSETS AND ONGOING COSTS | 7 |
| CURRENT ASSET MANAGEMENT PRACTICES..... | 10 |
| Asset Management Team..... | 10 |
| Asset Management Systems | 10 |
| WHERE DO WE WANT TO BE? | 11 |
| ASSET DOCUMENTATION..... | 11 |
| Detailed Asset Management Plan Framework..... | 11 |
| Legislative Requirements..... | 11 |
| “Living” Asset Management Plans | 11 |
| ASSET DATA..... | 12 |
| Data Capture | 12 |
| Condition Assessment | 12 |
| Risk Assessment Framework | 12 |
| Asset Management System | 13 |
| ASSET PROGRAMMING & PLANNING | 13 |
| Renewal Planning | 14 |
| Maintenance Planning | 14 |
| Lifecycle Costing..... | 14 |
| Acquisition/Disposal Planning | 15 |
| Service Level Reviews..... | 15 |
| HOW WILL WE GET THERE? | 16 |
| HOW WILL WE GET THERE?..... | 16 |

EXECUTIVE SUMMARY

The purpose of this Asset Management Strategy is to provide an assessment of the asset management processes within Glen Innes Severn Council and to develop a structured set of goals to work towards. Glen Innes Severn Council maintains a variety of Assets throughout its LGA. The core asset classes to which this Asset Management Strategy applies is shown in Table 1.

Table 1: Asset Class`

| Asset Classes |
|--------------------------------|
| Roads |
| Urban Drainage |
| Water |
| Sewerage |
| Buildings, Structures and Land |
| Bridges |
| Plant and Fleet |

It is proposed to separate rural drainage structures out of the road asset class and bring these into a combined drainage asset class. This will provide greater ability to calculate accurate budgets for the upgrade of sealed roads, where widening and subsequent extension of associated drainage needs to occur.

This document is broken into three key components being:

- A current situation analysis
 - An analysis of Council's current asset portfolio, asset management practices, and a summary of assets that are identified as critical to Council's operations.
 - An overview of the legislative controls under which Council must operate.
- Where do we want to be?
 - This section interpolates specific goals from the Asset Management Policy framework that Council wishes to reach over the life of this iteration of the Asset Management Strategy.
- How will we get there?
 - The final section of this strategy highlights the means and order in which the goals set out previously may be met.

CURRENT SITUATION ANALYSIS

This section of the Asset Management Strategy provides an analysis of Council's current Asset portfolio, Asset Management practices, as well as a summary of Assets that are identified as critical to Council's operations. An overview of the legislative controls under which Council must operate is also provided.



Image 1: Emergency side track installation after Wytaliba bridge was lost through natural disaster (fire)

COUNCIL'S CURRENT ASSET STOCK

Glen Innes Severn Council maintains a vast variety of Assets throughout its LGA. Table 2 details the core asset classes to which this Asset Management Strategy applies. Ongoing data capture programs are currently underway across all Asset groups therefore the quantity of the current asset stock may be subject to change over the life of this Asset Management Strategy.

Table 2: Current Asset Stock

| Asset Group | Description of Asset Stock |
|---------------------------------|---|
| Roads | 110 Major Street Furniture assets 176 footpath assets 42 carpark assets 373 kerb and gutter assets 351km of sealed roads 732 km of gravel roads 10 km of formed local roads 68 km of sealed regional roads 10 km of sealed state road parking |
| Urban Drainage | 31 km of storm water pipes 1393 storm water pits |
| Water | 110 km of reticulation 9 km of rising mains 4 bores 4 pump stations 6 reservoirs 2 weirs 3 offstream storage 2 treatment plants |
| Sewerage | 95 km of reticulation 15 km of rising mains 9 pump stations 2 treatment plants |
| Buildings, Structures, and Land | 110 Buildings 229 open space assets 156 other structures 46 swimming pool assets 207 land parcels 9 library assets 24 furniture assets 9 office equipment assets |
| Bridges | 11 timber bridges 77 concrete bridges 33 major culverts 134 causeways |
| Plant and Fleet (Plant Fund) | 30 heavy fleet 52 light vehicles 50 trailers and attachments 23 major plant 47 mobile plant |

CRITICAL ASSETS

Council has identified the following assets that are critical to its operations:

- Glen Innes and Deepwater Water Treatment Plants
- Glen Innes and Deepwater Sewer Treatment Plant
- Eerindii Ponds Off-Stream Storage and Beardy Waters Weir
- Works Depot
- Town Hall (including main server room)
- Library Learning Centre (back-up server and BCP alternate location)

Council has a business continuity plan that incorporates its management of business continuity.

ASSET CONDITION

Council is continually in the process of gathering comprehensive condition data for its assets. Details pertaining to particular asset classes and their corresponding condition profiles can be found within the respective Asset Management Plans.

Council has most recently completed a thorough inspection and assessment of the sealed road network, identifying the next intervention type, cost and optimum timeframe for each asset segment. Gravel roads were condition assessed and revalued as part of the preparation of the 2020/2021 audited financial statements. Work is next planned to capture condition data for rural drainage structures as these assets are separated out from the road asset register.

VALUE OF ASSETS AND ONGOING COSTS

This section seeks to provide an overview of the value of Council's current asset stock. Council's total asset holdings as summarized in the annual financial statement and how these holdings are covered by current asset management plans are outlined in Table 3. These figures are provided below in 4 and the values compared in the Figure 1. Operational and maintenance costs are contained in the relevant Asset Management Plans.

Table 3: Value & Cost of Council's Assets

| Note 10 Category | 2021 Annual Financial Report Note 10 Figures | AMP | Replacement Cost Covered by AMP | Notes |
|---------------------------|--|--------------------------|---------------------------------|--------|
| Roads (general) | \$ 136,273,000 | Roads | \$ 220,722,558 | |
| Bulk Earthworks | \$ 64,754,000 | | | |
| Kerb and Gutter | \$ 11,330,000 | | | |
| Footpaths (road related) | \$ 4,547,000 | | | |
| Major Street Furniture | \$ 2,331,000 | | | |
| Roads (carparks) | \$ 1,488,000 | | | |
| Bridges | \$ 64,840,000 | Bridges | \$ 72,006,019 | |
| Causeways | \$ 7,166,000 | | | |
| Water | \$ 41,449,000 | Water | \$ 41,449,652 | Note 1 |
| Sewerage Network | \$ 32,281,000 | Sewerage | \$ 32,277,105 | |
| Stormwater Drainage | \$ 17,589,000 | Urban Drainage | \$ 17,589,279 | |
| Plant and Equipment | \$ 11,333,000 | Plant and Equipment | \$ 12,376,378 | Note 2 |
| Buildings | \$ 45,694,000 | Buildings and Structures | \$ 78,623,867 | Note 3 |
| Other Structures | \$ 10,245,000 | | | |
| Open Spaces | \$ 3,642,000 | | | |
| Swimming Pools | \$ 3,142,000 | | | |
| Land | \$ 13,901,000 | | | |
| Library | \$ 958,000 | | | |
| Office Equipment | \$ 305,000 | | | |
| Furniture and Fittings | \$ 291,000 | | | |
| Tip Assets | \$ 3,263,000 | | | |
| Capital Works in Progress | \$ 2,726,000 | | | |
| Total | \$ 479,548,000 | Not applicable | | |
| | | | \$ 475,044,857 | |

1. Asset financials held by the Asset Management Team are calculated to 4 decimal places and rounded at point of entry into the tables. Data is also updated at time of review. Note 10 figures are rounded to nearest \$1,000 thus minor discrepancies occur.

2. This AMP also includes leased plant assets, which are not covered by the Note 10 Plant and Equipment.

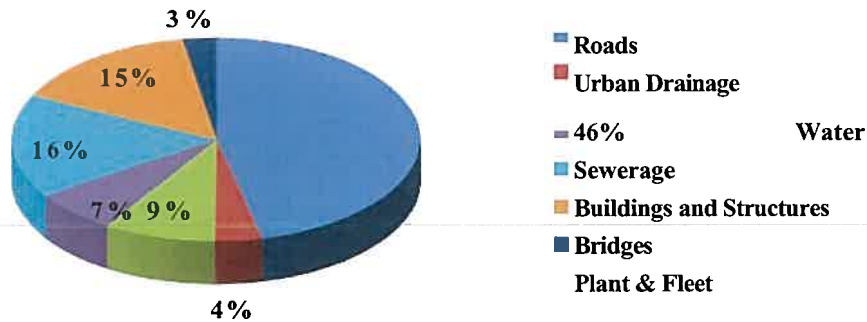
3. This AMP also includes investment properties, which are not covered by Note 10 Buildings.

Table 4: Value & Cost of Council's Assets

| Asset Category | Replacement Cost | Depreciable Amount | Annual Asset Consumption | Backlog Value | Backlog Ratio |
|----------------------------|------------------|--------------------|--------------------------|---------------|---------------|
| Roads | \$ 220,712,827 | \$ 155,489,953 | -\$ 3,021,333 | \$ 15,333,186 | 0.07 |
| Urban Drainage | \$ 17,589,279 | \$ 17,589,279 | -\$ 194,356 | \$ 1,741,776 | 0.10 |
| Water | \$ 41,445,323 | \$ 40,908,831 | -\$ 543,425 | \$ 1,487,696 | 0.04 |
| Sewerage | \$ 32,277,105 | \$ 32,277,105 | -\$ 483,665 | \$ 3,985,847 | 0.12 |
| Buildings and Structures * | \$ 78,623,867 | \$ 64,659,269 | -\$ 1,545,895 | \$ 7,774,301 | 0.10 |
| Bridges | \$ 72,006,019 | \$ 72,006,019 | -\$ 714,085 | \$ 4,800,120 | 0.07 |
| Plant & Fleet | \$ 12,376,378 | \$ 12,376,378 | -\$ 937,499 | Not reported | Not reported |
| Total | \$ 475,030,798 | \$ 395,306,833 | -\$ 7,440,259 | \$ 35,122,927 | 0.08 |

* Note that Furniture and Fittings, Office Equipment, and Library Assets were not included in FY22 Special Schedule 7; therefore, these assets are not included in backlog figures.

Figure 1: Comparison of Valuations



CURRENT ASSET MANAGEMENT PRACTICES

Asset Management Team

Glen Innes Severn Council has an Asset Management Team that acts as a medium for all asset management related matters being developed within Council. The Manager Asset Services leads a group consisting of the Technical Services Coordinator (Geospatial and technical data capture lead), the Property Officer (land, building, and lease lead), and the Maintenance Officer (technical advisor). The Finance Team, led by the CFO, provide all financial asset reporting based on technical data from the Asset Management Team. Managers, however, have a critical role in providing data on capital works, maintenance, and operational costs.

Asset Management Systems

Council has historically utilized a number of asset management systems and programs/methods including:

- **Geospatial Information System (GIS) Database:** A dedicated server stores all asset information based on spatial objects. The implementation of this system involved a significant review of asset stock and data cleaning. This system allows for powerful data analysis across asset classes and ensure future compatibility with other asset management platforms.
- **Intramaps:** Council currently uses Intramaps as a portal-based GIS viewer. Staff members across Council can easily access both asset and non-asset information from the GIS database. This tool is a user-friendly means of viewing the database therefore keeping all staff using a single-point of truth and maintaining data integrity. This platform is being replaced as Council transitions to a new corporate system (Open Office).
- **Intramaps ROAM:** This program is a mobile data capture system that allows operators to edit asset information and perform condition assessment in the field. This system will need to be replaced as part of the transition to Open Office.

Financial System: Civica's Practical is being replaced by Open Office as the base accounting system used within Council.

WHERE DO WE WANT TO BE?

This section interpolates specific goals from the Asset Management Policy framework that Council wishes to reach over the life of this iteration of the Asset Management Strategy.

ASSET DOCUMENTATION

Detailed Asset Management Plan Framework

Council currently prepares a Common Asset Management Plan for its entire asset portfolio with additional type-specific Asset Management Plans for the more complex asset classes:

- Roads
- Bridges
- Urban Drainage
- Buildings and Other Structures
- Water
- Sewerage
- Plant and Fleet

Of note, Urban Drainage is proposed to be expanded to include Rural Drainage structures, with this asset class funded by the current drainage charge.

Legislative Requirements

The above Asset Management Plans will enable Council to maintain registers and requirements of relevant legislation as applicable to specific asset types. The inclusion of such legislative registers within the detailed Asset Management Plans will assist managers to ensure that decisions/actions regarding the planning, purchase, installation, operation, maintenance and renewal of Council's Assets will be done in a manner compliant with legislative requirements, codes and standards.

“Living” Asset Management Plans

Following the 2020 review of Asset Management Plans, Council began a process whereby Asset Management Plans become “living” documents. The plans will be updated upon the receipt of any significant new data or adoption of new asset management techniques; as a minimum, review will occur every 12 months following adoption of the audited financial statements.

ASSET DATA

Data Capture

Complete and accurate data capture of all Council assets is fundamental to the implementation of core asset management processes. Moreover, maintaining the integrity of this data is essential. The interaction between Council’s GIS and assets financial system is an essential component of the asset management system, providing a visual representation of the financial data to provide confidence that the dataset is both accurate and complete.

Condition Assessment

Condition assessment techniques vary across asset types. Visual inspection by staff suffices for some assets whereas independent specialists are required for more complex structures. Technology varies also: from ‘form-based’ techniques through GPS-tablet collection to robotic camera systems. Moving forward the asset management system software must be compatible with various condition assessment techniques.

Work is ongoing to improve condition assessment and modelling this data into asset financial data. This process will be outlined in the detailed Asset Management Plans as they are reviewed.

The recent sealed road condition assessment was performed by an expert short term contracted staff member who has extensive experience in the physical application of bitumen seals. This has provided Council with an excellent basis to make decisions on capital renewal of sealed road assets moving forward, using a variety of techniques including heavy patching, resealing, conventional pavement renewal and low-cost pavement renewal (using a Graded Aggregate Seal technique).

Risk Assessment Framework

Council currently has an effective risk management framework in place for all detailed Asset Management Plans. This framework will be refined with each yearly review of the Asset Management Plans.

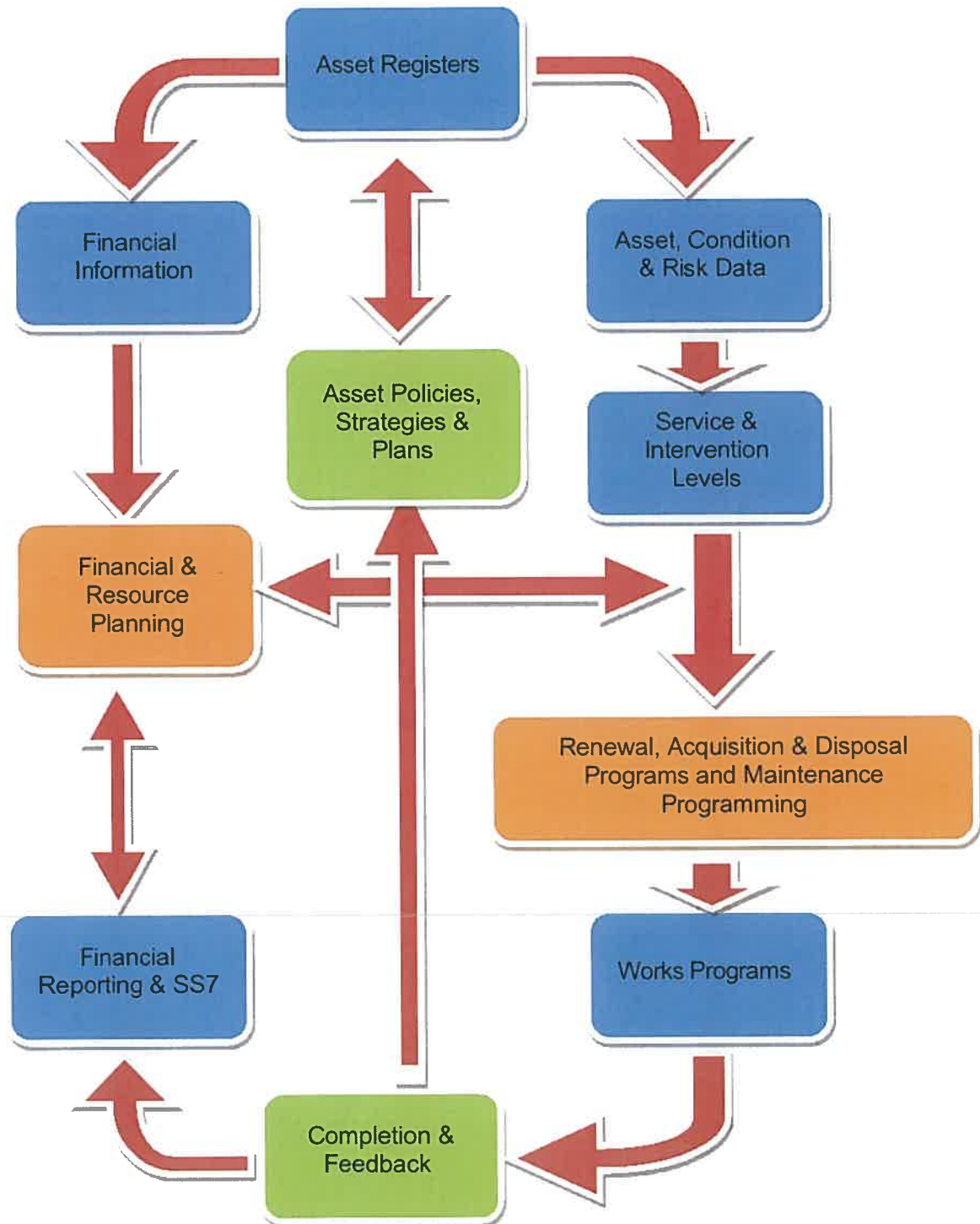
Council records its risks in a corporate risk register using the Pulse enterprise risk management software.

Asset Management System

Glen Innes Severn Council will continue to optimize its asset management system to manage all the asset management processes within Council.

ASSET PROGRAMMING & PLANNING

The following diagram portrays the cycle of asset management that Council will utilize.



Renewal Planning

The revised condition assessment of sealed road assets has resulted in a revised forward planning program for renewal of these assets.

Renewal will be undertaken using 'low-cost' renewal methods where practical. The aim of 'low-cost' renewals is to restore the service potential or future economic benefits of the asset by renewing the assets at a cost less than replacement cost.

Maintenance Planning

Council has implemented a team-based approach to assist with the effective maintenance of assets. The concept is that each team is led by a staff member who is capable, experienced and given sufficient authority to make day to day decisions.

In addition, work is structured to be conducted as part of a routine wherever possible. Maintenance grading of unsealed roads is a key maintenance item and provides a good example of this approach. Two maintenance grading teams operate, each has a defined route and the teams do not deviate from this program except in exceptional circumstances. Even while managing the recent natural disaster events, the teams have followed these routes to minimize travel between daily tasks, and therefore maximize efficiency. Work that is required beyond the ability of the two teams to catch up on is outsourced to private contractors who provide a surge capacity. Budgets are set to cover the annual cost of the staff members and plant used in the two teams, with a small provision for contractors and gravel patching.

Gravel patching is undertaken by the maintenance grading teams as they pass on the circuit: if the team leader deems that the section would not remain in satisfactory condition until the next grading cycle is due. This approach minimizes reactive maintenance requests.

Lifecycle Costing

Lifecycle costing is based on actual management practice wherever possible. For example, Council's policy is to reseal bitumen roads every 15 years. This is matched by the asset life of 15 years for the seal component in the asset register. Unsealed road pavement is currently set at 30 years. This is a difficult class to determine effective life, especially considering the increasing impacts of climate change and associated increased stormwater damage events. Drought also has a deleterious effect on unsealed pavements as more fines are lost from the pavement due to increased dust, and so as climate changes there may be an increased financial motivation to continue to convert gravel roads to seal using the low-cost graded aggregate seal technique. While this does require an initial capital investment, savings are made through a reduction in maintenance grading costs and drainage maintenance costs

Acquisition/Disposal Planning

An acquisition/disposal program will identify assets that are required by Council (acquisition) as well as Assets that have ceased serving a purpose and are to be demolished or sold (disposal). This program will be developed in conjunction with the current community investigations into the possible alternate use of redundant assets.

Service Level Reviews

Council will continue to assess the appropriate service level of Council's Assets. In particular, the sealing of unsealed roads using the Graded Aggregate Seal technique will be undertaken where there is a financially viable pathway to do so. Council has been successful in obtaining funding for 121km of conversion of gravel roads since 2019, with 42km constructed to date.

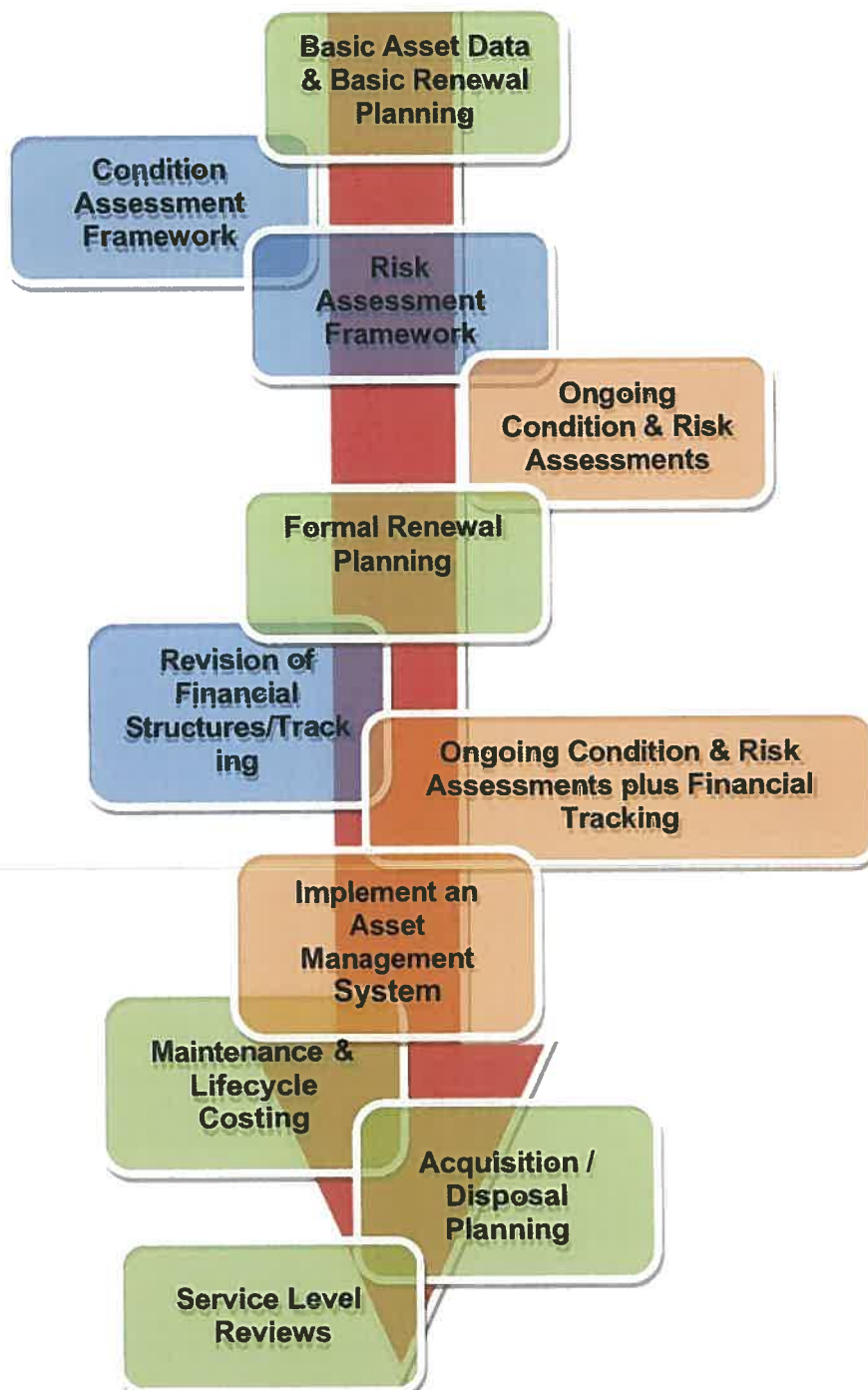


Image 2: Graded Aggregate Seal on Yarraford Road

HOW WILL WE GET THERE?

HOW WILL WE GET THERE?

Glen Innes Severn Council is committed to delivering the best from its current and future asset base and, therefore, endeavours to continually improve its asset management processes. This section summarizes what Council intends to achieve with consideration given to the order of events. The following diagram depicts the framework that will be followed.



Breaking this diagram down into its sub-components and relationships, a picture of how asset management will evolve at Glen Innes Severn Council begins to form. The structure and sequencing of events is also a deliberate strategic plan that Glen Innes Severn Council will take.

Prior to formal renewal planning being attempted, Council will shore up its condition and risk assessment processes. A revision of processes in financial systems will then lead to Council being able to consider the implementation of an asset management system which will provide a tool for the proper planning of maintenance processes and lifecycle costing. This data will then enable Council to prepare acquisition/disposal plan frameworks and then to finally consult with the community with detailed information at hand.

It should be noted that ancillary facets of asset management (such as the refinement of detailed asset management plans) mentioned within this strategy, but not listed in the above diagram, will be actioned as a matter of course throughout the various stages. It should also be remembered, that as with any process, the end is never the final step. The end will simply mark the start of the next "Strategic Lifecycle".